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USSR Report

ECONOMIC AFFAIRS

No. 987



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ECONOMIC POLICY, ORGANIZATION AND MANAGEMENT

INTENSIFICATION AS METHOD TO ENHANCE EFFICIENCY

General Analysis

Moscow IZVESTIYA in Russian 29 Sep 81 p 2

/Article by Doctor of Economic Sciences Professor A. Abalkin: "Intensification: A Production Necessity and Moral Norm"/

/Text/ Any segment of the historical path and every decade have their own unique face, so to speak, their own visiting card. Not without reason do we say: the stage of industrialization, the period of reconstruction, the years of revival. History has assigned to the 1980's a different place: they are called upon to become the period of the changeover of the economy to the path of intensive development.

The rate of social progress, the possibilities of increasing the well-being of the people and the international prestige of socialism depend on the success in this matter.

The Essence of the Problem

The changeover of the economy to the intensive path is a very complex process. But if we translate this formula into the language of practical work, then, as Comrade L. I. Brezhnev said, it consists "first of all in the fact that the results of production should increase more rapidly than the expenditures on it, that, while committing comparatively fewer resources to production, it would be possible to obtain more." In this lies the essence of the intensification of the economy, the increase of its efficiency.

When we discuss this problem, the question arises (it may also occur to the reader): Did the need for intensification really appear only today, did we really not strive to increase efficiency at the preceding stages?

Yes, the aspiration for the most efficient use of resources is fundamentally inherent in the socialist economy. It is based on the affirmation of the common property of the people of labor, on the elimination of capitalist chaos and economic crises, which lead to senseless waste. And still, precisely today intensification is appearing as the main direction of the development of social production, precisely today it is acquiring such an urgency as it never had before.

Was it possible before to try to achieve high results with fewer resources? In some sectors it was, on the scale of the national economy it was not. There were not enough resources as it was. It was necessary first to create a mighty, highly developed economic, scientific and technical potential.

Today this problem in principle has been solved. The Soviet Union entered the 1980's having a mighty, in many ways unique production potential. From 1965 to 1980 the fixed production capital--the main component of the economic potential--increased from 360 billion rubles to 1,149,000,000,000 rubles, that is, more than threefold. We hold first place in the world in the production of petroleum, the production of steel, cement, mineral fertilizers and many other types of products. In our country there are 1.4 million scientists--one-fourth of all the scientists in the world.

All this requires a sharp change of orientation, the shift of the center of gravity to the better, more efficient use of what our economy has.

Such an approach, which was elaborated by the party, is also especially important because the further increase of resources on a large scale is impossible and, what is the main thing, is inefficient. With the full employment of the population the increase of manpower resources is limited by purely demographic factors. As for natural resources, the limitations here are first of all of an economic nature. Let us explain this with an example. During the past five-year plan the expenditures on the recovery of a ton of petroleum were more than twofold greater than in the early 1970's. During the present five-year plan they will increase even more.

Therefore it is clear that the maintaining of the increases of petroleum production, which occurred in the past, although theoretically possible, is economically unfeasible. The main means of meeting the need of the national economy for petroleum is its economical and efficient consumption. For the saving of 1 ton of petroleum (just as of other resources) has the same result as the increase of production, but costs considerably less.

Finally, we cannot but speak of another factor which also underscores the urgency of the problem of intensification. It is a question of the fact that many resources are being utilized, unfortunately, poorly. It is intolerable to pretend not to see this: whatever exists, exists. The bitter truth is better than sweet self-deception. This is the basis of realism in the solution of economic problems.

These questions were raised with all the frankness and candor, which are characteristic of our party, in a special decree on the intensification of the work on the economy and efficient use of raw material, fuel, energy and other material resources. In this document it is stated that in comparison with the best world indicators more raw materials and power are consumed in our country per unit of national income; many types of machines and equipment have a high materials-output ratio; considerable losses of metal, fuel, wood, cement, mineral fertilizers, agricultural and other products are permitted in the process of production and storage.

Not only is a statement of the facts contained in the decree, but specific measures on the increase of economy and thrift in the national economy are specified. The complete and consistent implementation of the outlined measures is an important component of the changeover of the Soviet economy to the path of intensive development.

The Impact and the Counterimpact

Spiritual and moral factors, as historical experience shows, are a mighty stimulant, a catalyst of socioeconomic progress. A thorough and clear understanding of the significance and goals of the struggle, great civic spirit, a developed sense of duty and responsibility before society and people, intolerance of shortcomings--all this makes it possible to overcome the difficulties being encountered, to proceed unswervingly along the outlined path and to strive for the set goals.

As socialist society develops and its maturity increases, the role of these attributes, being filled with a new content, not only does not diminish but, on the contrary, steadily increases. Their yield, their impact also becomes greater. It is difficult to calculate it, to measure it in rubles or tons. Moreover, the matter does not reduce to only the economic gain. Assiduity, consideration of public property and the ability to solve questions practically, from a state point of view not only turn into an economic impact, but also serve as an indispensable component of the formation of the new man.

However, it is impossible to look at all the factors of the spiritual and moral sphere with only a plus sign. For among them there are not only the factors enumerated above, but also the inertia of thought, the loss of civic spirit ("it is no concern of mine"), the falsely understood honor of the uniform, the reluctance to wash one's dirty laundry in public and simply the sloth to think and irresponsibility. They can bring to naught the results of the efforts of labor collectives, doing enormous both purely economic and moral harm.

It is necessary to constantly recall the profound idea of Comrade L. I. Brezhnev that "nothing so disenchant people as cases of ill-considered decisions, the bungling or bureaucratism of some workers, which have the result that labor, public wealth and created valuables are squandered in vain."

When handling such a "delicate subject" as moral norms, at times we encounter riddles which are hard to solve. Recently I happened to be at one of the construction projects after lunch. At the project two or three people were puttering about, the rest already considered their workday to be finished and were talking quietly.

Unfortunately, it is often possible to see such a thing. The mystery, however, is that in spite of such phenomena the plans are being successfully fulfilled and the reports on their fulfillment are being signed regularly. How does this happen and why? Given the widespread practice of planning from the achieved level, such violations, low labor productivity and losses of working time, as well as material resources acquire a kind of legitimization, the nature of planning norms. Proceeding from them, they determine the needs for manpower and raw materials and formulate the plan assignments for the future. What can be called the reproduction of the counterimpact takes place.

Enormous losses of material resources are occurring due to indifference, negligence and elementary irresponsibility. A considerable portion of the coal and petroleum remains in deposits when extracting minerals. The mountains of rusting metal are growing, cut but unhailed timber is rotting.

And what coal and timber there are there! The lavish gifts of our orchards, gardens and melon fields are rotting, are being buried in the ground and are being fed to hogs. Alas, they have even begun to grow accustomed to this. I have always been interested by the question: Do those who bear responsibility for all this--trade workers and cooperative workers, transport workers and planners--sleep peacefully?

A good sleep restores strength and gives energy for new accomplishments. But one's conscience should never sleep, it cannot have days off and vacations. If it has fallen asleep, this is a moral disease which must be treated.

No one can stand aloof in the struggle against shortcomings and in the solution of the problems of intensification. This is our common cause, regardless of position or official status. This simple and at times amazingly encompassing motto of Ven'ka Malyshev from P. Nilin's short story "Cruelty" is one of the basic principles of morality, of Soviet civic spirit. It can be called responsibility for the unassigned job.

In its very essence the principle of responsibility for the unassigned job takes the form of an active, energetic struggle for the common good, for the prosperity of the country. It opposes apathy, indifference and insensibility to everything that goes beyond the narrow group of falsely understood personal interests.

Perhaps the main thing that is hindering our successful progress and the use of the most abundant means of mature socialism is the stagnant force of inertia. Precisely the force of inertia, traditions and habits, which formed during the period when not so much the qualitative as the quantitative aspect of the matter came to the forefront, was named at the 26th CPSU Congress as a decisive cause of the difficulties, bottlenecks and disproportions, which are occurring in the national economy.

It goes without saying that obsolete traditions and habits cannot disappear immediately; consequently, the counterstimuli checking the progressive development of our society will also not disappear. Steady, persistent work on overcoming them, and in the most diverse directions, is necessary. There are no trivialities here.

It seems that the basis of success here is the change of the mode of management, the conditions under which people function, planning decisions are made and the organization of production is rearranged. It is necessary to place each person in such conditions under which any success can be ensured only by decisive intensification and, on the contrary, work in the old way inevitably turns into losses of prestige, the held social status and wages.

The Main Direction

Success in the matter of intensification in many ways depends on the correct understanding of its essence and the means of its increase. Here there is also much that is new, which is different from the traditional understanding of the problem.

The intensification of social production, as was already said, is a complex, multi-level process. The accomplishment of the changeover of the economy to the path of intensive development, which has to be carried out during the 1980's, means a changeover from partial to complete or comprehensive intensification.

What does this mean? Often when examining the problems of intensification they confine themselves to an analysis of the increase of labor productivity or, more precisely, the output per worker. Here the relations seem very simple and straightforward: labor productivity increases, hence the economy is developing intensively. The following consideration is also used: it is determined what proportion of the increase of the national income or output was obtained due to labor productivity and what proportion was obtained due to the involvement of additional manpower.

Of course, the increase of labor productivity was and remains the main motive force of economic progress. But in the case of a comprehensive, systems approach (and today a scientific approach to management is impossible without it) the increase of labor productivity functions only as a component, although the most important one, of the process of intensification.

Indeed, there are large economic regions and entire sectors (for example, agriculture), in which the entire increase of output is being obtained by means of labor productivity, that is, without increasing the number of workers. Can it be said that the changeover to the path of intensive development has already been accomplished here? Of course not. Thus, it is impossible to judge the entire process of intensification from just one component.

Along with labor productivity the output-capital ratio, the materials-output ratio, the return on capital investments and much more are components of efficiency. If efficiency increases with respect to just one of the components, partial or incomplete intensification is occurring. Thus, during the 10th Five-Year Plan with a 17 percent increase of the productivity of national labor a decrease of the output-capital ratio by more than 14 percent occurred.

The accomplishment of the changeover of the economy to the path of intensive development means the achievement of such a situation, when the simultaneous, combined increase of all the components of efficiency takes place. The changeover from the partial to the complete, comprehensive intensification of social production is thereby being achieved.

The key to such a changeover is contained in the retooling of production. K. Marx named as a criterion of intensive economic growth the use of more efficient means of production. What types of machines, equipment and technological processes can be recognized today as "more efficient"?

In answering this question it is also necessary to see all the complexity and diversity of the process. Of course, only those means of production, which ensure an increase of the productivity of living labor, can be recognized as more efficient. This is, as they say, a necessary but inadequate reason. Add to what has been said: the new machines and equipment should be less expensive than the older ones--per unit of capacity, productivity or other effective impact.

However, this is also insufficient. It is necessary for the new means of labor and technological processes to ensure the reduction of the consumption of raw materials, materials and power per unit of final product. In this lies the essence of the resource-saving direction of scientific and technical progress, which was advanced by the 26th CPSU Congress as one of the most important tasks.

The requirement of the social attribute--the facilitation of labor, the creation of the conditions for its comfort and intellectualization--is last in number, but not in importance. Only the equipment, which ensures the solution of this problem, can be recognized as advanced from the point of view of socioeconomic efficiency.

It is not hard to understand that the set of these requirements makes substantially more strict the criteria of the choice of technical and production decisions. This is quite natural and regular. At the 26th party congress it was emphasized that we cannot and should not agree to anything less than conformity to the best world and domestic examples. One must accustom oneself to this, one must try to achieve this.

Thus, it is a question not simply of a partial improvement, but of the achievement of qualitatively new gains. Is it necessary to speak of the fact that all this is making new, greater demands on scientific personnel and the designers of machines, on the organizers of production and management, on workers and engineers, in short, on all of us?

There is one path to the intensification of production--through the increase of the quality of labor in all the links of our economy.

The improvement of organization and administration, the improvement of the style and methods of management play a special role here. They are the least expensive and most effective levers of the use of the enormous advantages and potentials of the economic system of the mature socialist society.

A high level of organization and order from a purely economic standpoint do not require either additional capital investments or other material resources. But this is precisely what we very often do not have enough of. For many problems, if you look into them, arise not due to the lack of raw materials, materials or financial resources. They are the result of inadequate order and organization.

The main direction of the practical activity which ensures the solution of this historically important problem--to complete the changeover of the Soviet economy to the path of intensive development--is also understandable. The maximum mobilization of the spiritual and moral potential, precise labor rhythm in each section of the unified national economic complex of the country, the highest level of organization, discipline and responsibility are such a direction.

The intensification of social production will reveal even more vividly the advantages of the socialist system and will make it possible to solve successfully the large-scale problems of further increasing the well-being of the people. We have everything necessary for the changeover of the economy to the path of intensive development. We are called upon by history to accomplish this changeover, we can accomplish it and we will accomplish it.

Specifics Outlined

Moscow EKONOMICHESKAYA GAZETA in Russian No 39, Sep 81 pp 11-14

/Article: "Along the Path of Intensive Development"/

/Text/ The System of Economic Education

During the 1981-1982 academic year the extensive study of new courses: "Thrift Is a Communist Trait" (for workers and kolkhoz farmers) and "The Economical Economy" (for specialists and executives), is beginning in the system of economic education. The instruction of workers in these courses is being organized in conformity with the decree of the CPSU Central Committee and the USSR Council of Ministers "On Stepping Up the Work on the Economy and Efficient Use of Raw Material, Fuel, Energy and Other Material Resources."

Educational materials for the study of the first themes: "The Soviet Economy on the Path of Intensive Development" and "The Economy of Mature Socialism. The Policy of the Party of the Increase of Efficiency and the Utmost Intensification of Production" are published below to aid propagandists and students.

Materials for the study of the theme "The Development of Production to the Leading Levels of Science and Technology Is the Basis of Its Comprehensive Intensification" will be published in the next issue of EKONOMICHESKAYA GAZETA.

It is recommended that the councils for economic education of ministries and economic organs provide the propagandists of enterprises of industry, construction, transportation and communications, agriculture and the nonproductive sphere with the necessary materials on the themes being studied as applied to their sector of the economy.

"During the 1970's we began the turn of our entire economy in the direction of intensive development, the increase of efficiency and quality, emphasis on the end results of economic operations. During the 1980's we are obliged to continue and to complete this most important matter, which constitutes the heart of the economic strategy of the party."

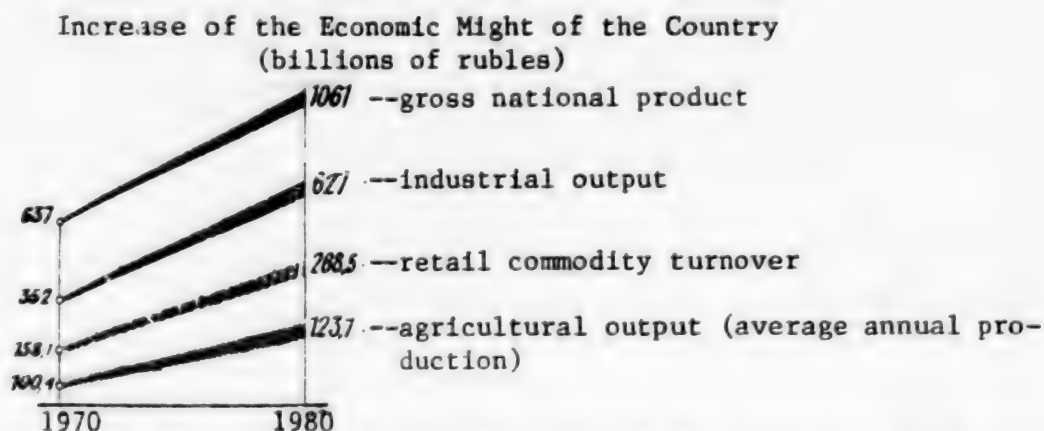
L. I. Brezhnev. From a speech at a meeting with voters of the Bauman Electoral District of Moscow on 22 February 1980.

The results of the economic and social development of the country during the 1970's show that the implementation of the policy elaborated by the 24th and 25th party congresses ensured significant progress in all the directions of the building of communism.

Our country now has a mighty economic, scientific and technical potential. In the USSR more than threefold more industrial output is produced per inhabitant than in accordance with the average indicators in the world.

The Soviet Union holds first place in the world in the production of petroleum (including gas condensate) and iron ore, the smelting of ferrous metals, the output of mineral fertilizers, cement, precast reinforced structural members and lumber, logging, the production of main line diesel and electric locomotives, tractors (in total horsepower of the motors), many types of consumer goods, particularly wool fabrics, animal oil and leather footwear. Second place in the world and first place in Europe in the total production volume, the generation of electric power, the production of gas and coal, the output of products of machine building and the chemical industry belong to Soviet industry.

The most important indicator of economic might is the national wealth of the country. It represents the total of the physical assets, which have been created by the people and which society has at its disposal. By early 1981 the national wealth of the USSR (excluding land, mineral resources and forests) exceeded 2.7 trillion rubles. Moreover, in the past 10 years it has increased by more than 1.3 trillion rubles. Within the national wealth fixed production capital accounts for 42 percent, fixed nonproductive capital--22 percent, physical working capital--17 percent and the private property of the population--19 percent.



In 1980 nearly 79 million workers, 34 million engineering and technical personnel and employees and 13.5 million kolkhoz farmers worked in the USSR national economy. Among those employed there are 28 million specialists with a higher and secondary specialized education. In the Soviet Union there are 1.4 million scientists--one-fourth of all the scientists in the world.

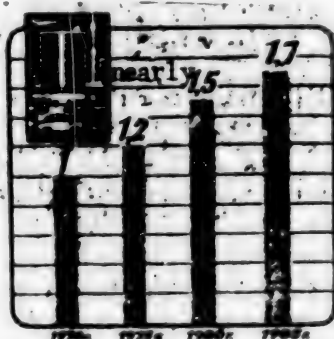
The mighty economic, scientific and technical potential and the large detachment of highly skilled personnel, with which our country entered the new decade, are making it possible to raise and solve more and more extensive problems of development and are broadening the opportunities for the further development of the national economy and the increase of the well-being of the population. The 26th CPSU Congress reviewed the results of economic and social development in the 1970's and on the basis of the achieved gains specified the long-range goals and the basic means of achieving them at the new stage of the building of communism.

The congress set the task to ensure the further economic and social progress of society and qualitative changes in the material and technical base on the basis of the acceleration of scientific and technical progress, the intensification of social production and the increase of its efficiency. The dynamic and balanced development of the USSR economy as a unified national economic complex and the proportionate growth of all its sectors and the economy of the union republics will be accomplished.

The program requirement of our party "Everything in the name of man, everything for the good of man" will be embodied even more completely in practical matters and in the more thoroughgoing turn of the national economy toward the diverse problems connected with the increase of the well-being of the people.

During the past decade nearly twofold more assets were spent on the increase of the well-being than during the preceding 10 years. The per capita real income of the population increased 1.5-fold during the decade. During the 11th Five-Year Plan it will increase 16-18 percent. The total amount of payments and benefits from the public consumption funds will increase 20 percent in 5 years--from 116.5 billion rubles in 1980 to 138 billion rubles in 1985. The wage of workers and employees and the pay of kolkhoz farmers will rise.

Increase of the Per Capita Real Income
(1970 = 1)



Production efficiency and work quality will determine to an even greater extent than before the possibilities of the increase of the well-being of the people, the progressive development of the economy and the creation of the material and technical base of communism. This is due to the peculiarities of economic development during the begun decade and to the effect of a number of complicating factors.

First, the increase of manpower resources is declining--it will be nearly a quarter as much as during the preceding decade. With allowance made for this the increase of production at operating enterprises has to be obtained without an increase of the number of workers, by the increase of labor productivity.

Second, the expenditures on the extraction of many types of fuel, energy and raw material resources, nearly the entire increase of which falls to the remote northern and eastern regions of the country, are rising. Hence, the questions of the economy, the economical use of all material resources are becoming more urgent. It

has been calculated that the expenditures on measures to save fuel are one-third to one-half as much as the expenditures on the increase of production and its delivery to consumers.

Third, the structure of capital investments is changing substantially. A significant portion of them is being allocated for the renovation and retooling of operating enterprises with the limitation of the amounts of new production construction. Major measures on environmental protection, the development of transportation and communications, the construction of roads, granaries and other structures for the better keeping of production output have to be implemented.

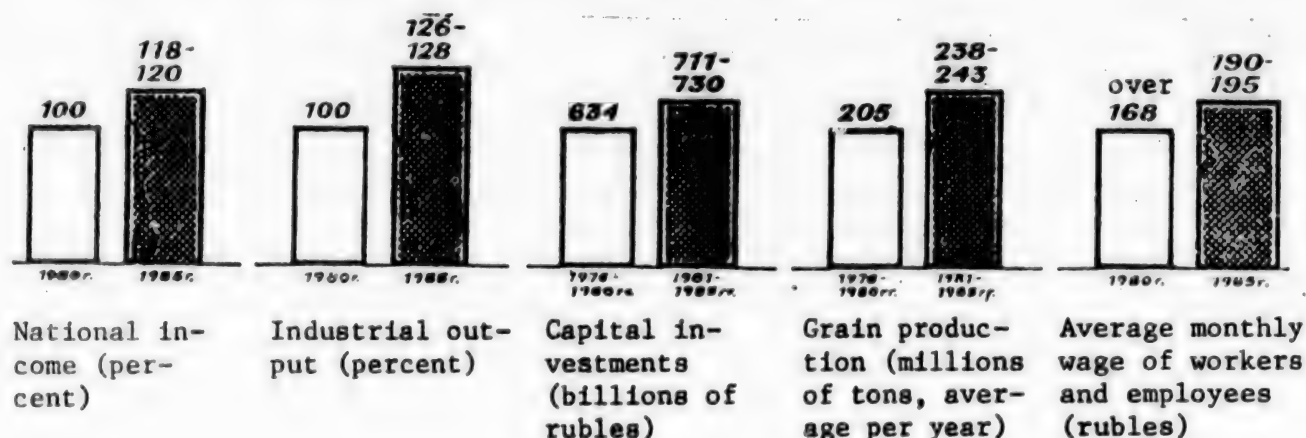
The tasks of the Soviet economy for the 11th Five-Year Plan are specified in the Main Directions of USSR Economic and Social Development for 1981-1985 and the Period to 1990, which were approved by the 26th CPSU Congress.

/The main task of the 11th Five-Year Plan/ **[in boldface]** consists in the assurance of the further increase of the well-being of the Soviet people on the basis of the steady, progressive development of the national economy, the acceleration of scientific and technical progress and the changeover of the economy to the intensive path of development, the more efficient use of the production potential of the country, the utmost economy of all types of resources and the improvement of work quality.

The achievements in the economic development of the country in generalized form are reflected most completely in the growth of the national income. The growth of the national income is the basis of the increase of the material well-being and cultural level of the Soviet people, the expansion and further development of social production and the strengthening of the economic might of the country.

During 1981-1985 it is planned to increase by 18-20 percent the national income used for consumption and accumulation. Its absolute increase will be 79-87 billion rubles as against the increase of 75 billion rubles, which was obtained during the 10th Five-Year Plan. The volume of industrial and agricultural production will increase significantly, other sectors of the national economy will undergo extensive development.

Economic Indicators of USSR Development During the 11th Five-Year Plan



A fundamental condition of the successful fulfillment of the new five-year plan is the intensification of production.

"The economy should be economical--such is the requirement of the times," L. I. Brezhnev said in the report at the 26th party congress.

This conclusion, which is of fundamental importance, rests on Lenin's teaching about the economical management of the socialist economy and is its creative development as applied to present conditions.

Lenin's Mandate to the Workers

Lenin's teaching about the economical management of the economy is a component of the program elaborated by him of the building of a socialist society in our country. V. I. Lenin repeatedly emphasized such fundamental advantages of socialism over capitalism as the planned development of the economy according to a single economic plan, the absence of social barriers in the use of the achievements of scientific and technical progress and the interest of the workers in the increase of public property.

In the article "The Great Initiative," which was written by V. I. Lenin in 1919 concerning the heroism of the workers in the rear and the importance of communist Saturdays, the founder of our party and state wrote: "Communism begins where there emerges the selfless concern of /the rank and file workers/ /in boldface/, which overcomes difficult labor, for the increase of labor productivity, for the protection of /every pood of grain, coal, iron/ /in boldface/ and other products, which fall to the share not of the workers personally and not of their 'neighbors,' but of 'distant' people, that is, of the entire society as a whole, of tens and hundreds of millions of people, who were united first into one socialist state, then into the union of Soviet republics" (Vol 39, p 22).

He considered the cultivation of a communist attitude toward labor and public property and the overcoming of small property owner sentiments to be one of the most difficult and most important tasks of the building of communism. This task was set by V. I. Lenin immediately after the victory of the Great October Socialist Revolution. In a speech at the Second All-Russian Congress of Commissars of Labor V. I. Lenin said: "The problem is that the conscious worker should feel not only like the master at his plant, but also like a representative of the country, he should feel responsibility" (Vol 36, pp 369-370).

Lenin's principles of the organization of planning, cost accounting and material interest are permeated with concern for the efficient management of the economy.

Lenin's mandate, which is contained in the work "The Immediate Tasks of Soviet Power": "Keep account of the money carefully and conscientiously, manage economically, do not loaf, do not steal, observe the strictest discipline in labor..." (Vol 36, p 174), is also resounding today with all urgency.

V. I. Lenin considered the ability to use the national kopeck carefully to be one of the primary obligations of every member of society. In a speech at the meeting of the plenum of the Moscow Soviet of Worker and Peasant Deputies in February 1921 he said: "In economic work some 'miserliness'--even though this is not entirely the proper word--is necessary" (Vol 42, p 361).

At all the stages of the building of communism the party has implemented and is implementing persistently Lenin's instructions in the plans of the building of the economy, during their implementation and the improvement of the economic mechanism, in the work on the education of the workers and their extensive involvement in production management.

For the majority of the population of our country the requirements and norms of socialist management have become firmly established in everyday life. However, this does not diminish to any extent the importance of regular work on the tightening up of the policy of economy. Every generation of Soviet people should acquire all over again for themselves these requirements and norms, should master them and implement them in their labor activity and daily life.

With the increase of the scale of production the importance of economy steadily increases. The potential losses from mismanagement and waste also become more significant.

In the report at the 25th party congress L. I. Brezhnev emphasized: "To calculate accurately and to use efficiently every ruble, every hour of labor, every ton of output, to eliminate completely mismanagement and slipshodness--these are our lofty party duty. For we are economizing for the sake of the thing most dear to us--for the sake of the wealth and might of the homeland, the well-being and prosperity of our people."

Every citizen is obligated to show the utmost concern for the consolidation of socialist property. This duty is sanctioned in Article 61 of the USSR Constitution: "The citizen of the USSR is obligated to use carefully and to consolidate socialist property. The duty of the citizen of the USSR is to combat misappropriations and waste of state and public property and to show consideration for national property.

"Persons who infringe upon socialist property are punished in accordance with the law."

Intensive Methods of Management

"The intensification of the economy, the increase of its efficiency, if we translate this formula into the language of practical work, consists first of all in the fact that the results of production should increase more rapidly than the expenditures on it. That, by committing considerably fewer resources to production, it would be possible to obtain more."

L. I. Brezhnev. From the report
at the 26th CPSU Congress.

The Extensive and Intensive Means of Development

As is known, two means of the increase of social production--the extensive and the intensive--are distinguished.

/In the case of the extensive means/ [in boldface] economic growth is ensured by the increase of the number of workers, the commitment to the production process of

additional material resources and capital investments and the increase of the pool of equipment, and on the same technical basis.

/In the case of the intensive means/ [in boldface] economic growth is ensured by the increase of the labor productivity of the workers, the better use of the available material resources and equipment and the increase of the technical level of production. Here greater end results are achieved with fewer expenditures.

In our planned economy both of these means were used for ensuring a high growth rate of social production. During the period of the creation of the material and technical base of socialism the rapid increase of production volumes was of particular importance. Tens of thousands of new enterprises were put into operation, the number of workers and employees increased several fold. But even then--and it is important to emphasize this--the intensive factors accounted for a significant portion of the increase of social production.

The intensification of production under socialism has nothing in common with the intensification of labor.

Whereas the aspiration to extract everything from the worker is the goal of the capitalist organization of production, the goal of the socialist organization of production is to extract everything from the equipment and to provide an increase of labor productivity by means of the improvement of production with the facilitation of the working conditions of the workers.

Of course, this does not mean that socialism is altogether opposed to any increase of the intensity of labor. A normal intensity of labor and the complete utilization of every minute of working time are necessary conditions of the efficiency of the work of every labor collective.

The role of intensive factors increases immeasurably under the conditions of mature socialism, when the country already has a mighty economic, scientific and technical potential, when a significant increase of production efficiency is required for the solution of large-scale economic and social problems.

This can be shown using the example of the increase of industrial output by means of the increase of labor productivity. During the First Five-Year Plan this proportion was 51 percent, the other half of the increase was provided by the increase of the number of workers. During the 10th Five-Year Plan 75 percent of the increase of industrial output was obtained by means of the increase of labor productivity. During the 11th Five-Year Plan it is planned to obtain more than 90 percent of the increase of industrial output by means of the increase of labor productivity.

With the increase of the amounts of resources, which have been committed to the economic turnover, the "value" and importance of each percent of their economy are increasing.

The scientific and technical revolution is affording new opportunities for the high quality conversion of energy sources, tools of production, raw materials and materials and for their efficient use. That is why the fundamental combination of the achievements of the scientific and technical revolution with the advantages of socialism has become a task of historical importance.

The intensive method of managing the economy should ensure the leading growth of the end results of production as compared with the expenditures of labor, equipment, raw materials and materials and capital investments. Here the utmost improvement of product quality is an obligatory condition.

What does the changeover to the primarily intensive path of development imply? It is a matter of the fact that intensive factors should play a dominant and increasing role in the assurance of the growth of production and the increase of its efficiency.

Such a path of development envisages, first, the growth of production without an increase or with a smaller number of workers as a result of the increase of labor productivity and the efficient use of manpower resources.

Second, the efficient use of fixed production capital, the increase of the output-capital ratio on the basis of the optimum loading of capacities and the complete utilization of the potentials of the equipment.

Third, the efficient use of material resources by means of the reduction of the materials-output ratio, the increase of the yield of the final product per unit of material resources, the reduction of losses and the complete utilization of waste products.

Fourth, the increase of product quality, the improvement of its consumer properties with the decrease of the expenditures per unit of finished product, the increase of the output of products of the highest quality category.

Manpower Resources

The intensive methods of managing the economy are characterized first of all by the increase of the production volume by means of the increase of labor productivity. At operating enterprises the entire increase should be obtained for the most part without an increase of the number of workers. This especially pertains to enterprises of the European part of the country.

During the current five-year plan the growth rate of labor productivity in industry, agriculture, construction and other sectors should increase significantly (percent):

	<u>1976-1980</u>	<u>1981-1985</u>
In industry.	17	23-25
In agriculture (social production; in average annual terms as against the preceding five-year plan)	15	22-24
In construction.	11	15-17

For the national economy as a whole in 1981-1985 it is envisaged to increase the productivity of national labor by 17-20 percent. This is equivalent to the saving of the labor of 12-13 million people. It is planned to obtain by means of the increase of labor productivity not less than 85-90 percent of the increase of the national income, that is, considerably more than was obtained by means of this source during the 10th Five-Year Plan.

Fixed Production Capital

The increase of the output-capital ratio is one of the important indicators of intensification. The increase of the output of products per ruble of fixed production capital by just 1 kopeck provides an increase of the output of industrial items by 5.4 billion rubles.

During the past decade fixed capital worth in excess of 1 trillion rubles was put into operation in all the sectors of the national economy. This is much more than during all the preceding years of Soviet power. The largest amount of fixed production capital is concentrated in industry. By the beginning of 1981 it amounted to 551 billion rubles, or 48 percent of the capital of the country. In agriculture its amount came to 238 billion rubles, in transportation and communications it came to 239 billion rubles.

In the Main Directions it is stipulated to implement measures which are aimed at the increase of the output-capital ratio in all the sectors of the national economy, at associations and enterprises. For this it is necessary at every association, at every enterprise and in every organization on the basis of careful calculations to seek means of the more complete loading of equipment both with respect to time and with respect to capacity, to eliminate the causes responsible for downtimes, to eliminate bottlenecks, to expedite the placement into operation and assimilation of capacities and to increase the smoothness of production. The policy of rapid re-tooling and renovation should be implemented consistently in the five-year plans of associations and enterprises.

Material Resources

The intensification of production envisages the decrease of the consumption of raw materials, materials, fuel, power and other material expenditures per unit of output being produced, which finds expression in the reduction of the materials-output ratio. For the majority of sectors it is important to increase the yield of output per unit of raw materials being consumed. The elimination of losses, the reduction and utilization of waste products are an indispensable condition of intensification for the enterprises of all sectors of the national economy. Whereas in 1970 a 1 percent reduction of the material expenditures provided an increase of the national income by 3.6 billion rubles and in 1975 by 4.9 billion rubles, in 1980 it provided an increase by more than 6 billion rubles. During 1976-1980 the saving of raw materials, materials, fuel, energy and other objects of labor amounted to 11.4 billion rubles. The utmost saving of resources is not only the most important condition of the improvement of the balance of needs and production volumes, but also a factor of the considerable reduction of the production costs and the economy of capital investments, first of all in the extractive sectors.

Of great national economic importance is the work of every labor collective on the commitment to the economic turnover of secondary materials, fuel and energy resources, as well as byproducts, which at the same time makes it possible to decrease the harmful influence on the environment.

Considerable additional resources can be committed to the national economic turnover by the increase of the degree of extraction of minerals from the ground and the more complete thorough processing of raw materials.

At kolkhozes, sovkhoses and other units of the agro-industrial complex a reliable barrier should be erected against losses of grain, vegetables, potatoes, meat, milk and other agricultural products, which for the present are occurring along the entire path from production to the consumer. As was indicated in the Accountability Report of the CPSU Central Committee to the 26th party congress, the efficiency of the use of lands, especially reclaimed lands, machinery, fertilizers and fodders must be increased, the yield of all crops must be raised. This requires even greater attention to the increase of the skill of personnel, the recommendations of science, the study and use of world and domestic know-how.

The intensification of specialization and cooperation, the further development of optimum direct ties between producers and consumers and the improvement of the system of material and technical supply can also provide much.

Assignments of the Five-Year Plan on the Economy of Resources
(in 1985 as compared with 1980)

In the National Economy

To ensure a saving of fuel and energy resources in the amount of 160-170 million tons of conventional fuel, including 70-80 million tons by reducing the rates of consumption;

In Machine Building and Metalworking

To reduce the rates of consumption on the average:

rolled ferrous metal products by not less than 18-20 percent;

steel pipe by 10-12 percent;

rolled nonferrous metal products by 9-11 percent;

In Construction

To provide a saving of:

rolled ferrous metal products and lumber of 7-9 percent;

cement--5-7 percent.

Product Quality

The improvement of product quality is an important factor of intensification. Whereas in 1970 2,800 descriptions of items bore the State Seal of Quality, in 1975 27,600 items already bore it, while in 1980 88,000 bore it. The proportion of the industrial output of the highest quality category in the total production volume at the beginning of the 11th Five-Year Plan was 15.5 percent as against 5.2 percent in 1975.

The 26th CPSU Congress set the task to increase substantially the quality of all the types of output being produced, to enlarge and update the assortment of items

in conformity with the present requirements of the development of the national economy and scientific and technical progress, as well as with the increasing needs of the population. Labor collectives should provide in the counterplans for the steady increase of the proportion of products of the highest quality category in the total volume of their output. In 1985 in the Ministry of the Electrical Equipment Industry, for example, it should increase to 51 percent, in the Ministry of the Automotive Industry--to 43 percent, in the Ministry of Heavy Industry--to 37 percent and in the shoe industry--to 26 percent. The gains of the leading collectives are significantly greater than these average sectorial indicators.

Number of Descriptions of Items With the State Seal of Quality
(at end of the year, thousands)



The Main Directions of Intensification

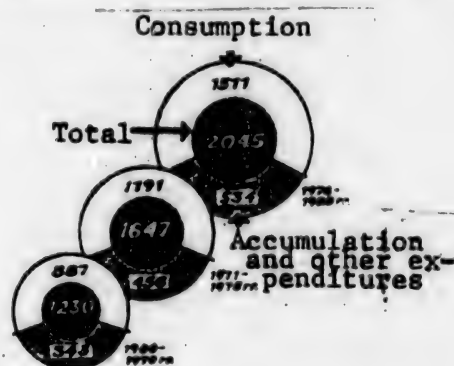
The CPSU Central Committee and the USSR Council of Ministers consider it necessary to radically improve all the work on the economy and efficient use of raw materials, materials, fuel and power in all the links of the national economy. The scientific, technical and structural policy, the capital investment policy, the system of management, planning and stimulation and the initiative of labor collectives must be aimed at this.

From the decree of the CPSU Central Committee and the USSR Council of Ministers "On Stepping Up the Work on the Economy and Efficient Use of Raw Material, Fuel, Energy and Other Material Resources."

Scientific and Technical Progress

One of the decisive directions of the intensification of production is the acceleration of scientific and technical progress. The achievement of high end results, the growth of which leads the expenditures, can be ensured first of all on the basis of the extensive introduction of advanced, resource-saving and power-saving equipment and technology and the scientific organization of labor and production.

Use of the National Income for Consumption and Accumulation
(in comparable prices; billions of rubles)



In outlining the prospects of the economic development of the country for the 1980's, the 26th CPSU Congress set the task to bring all the sectors of the national economy up to the leading levels of science and technology.

For these purposes the retooling of the national economy has to be expedited on a scientific and technical basis, which not only meets the most up-to-date requirements, but also predetermines the high level of the material and technical base of production of the future.

Plant rationalizers and inventors and production innovators can do much here.

The collective of the Rigakhimash Plant is working successfully on expanding the use of high-strength cast iron, plastics and other metal substitutes in the production of pumps and fittings. For example, the series production of pumps with new hydraulic cylinders, which were developed by the specialists jointly with staff members of the All-Union Scientific Research Institute of Hydraulic Machine Building, is being prepared.

The economic impact per 1,000 pumps is more than 1.5 million rubles. During the 11th Five-Year Plan a total saving in the amount of more than 4 million rubles is anticipated. What does this amount consist of?

First of all it is due to the replacement of nickeliferous steel with cast iron. Previously 27.3 kg of stainless steel on the average went into a cylinder. Now only 8.5 kg are required. The plastics for the lining of the cast iron are processed here by the casting method on special machines. And whereas previously 213.3 standard hours were required for the production of a pump, now 190 standard hours are required.

Many specialists and workers of the enterprise have been involved in creative technical work, first of all the economy of metals. One out of every six workers at the plant is a rationalizer or an inventor.

Structural Policy

The acceleration of scientific and technical progress is inseparably connected with major qualitative changes in the national economy. The elaborated measures on the development of the fuel and power complex, the production of construction materials, the machine building and agro-industrial complexes and the production of consumer goods are subordinate to the improvement of the structure and proportions, which conform to the greatest extent to the tasks of intensification.

The rationalization of the use of fuel and energy resources, for example, will be achieved to an ever greater extent by means of the rapid development of nuclear power engineering, as well as thermal electric power stations which use the inexpensive coals of open-cut mining. The increase of the generation of electric power in the European part of the country will be obtained for the most part at nuclear and hydroelectric power stations, which will provide 43-48 percent of the saving of mineral fuel, which is planned for the five-year plan.

Structure of the Generation of Electric Power in the USSR (Percent)

<u>Type of electric power stations</u>	<u>1975</u>	<u>1980</u>	<u>1985</u>
Thermal.	85.9	80.2	71.0
Hydraulic.	12.1	14.2	14.8
Nuclear.	2.0	5.6	14.2

In the machine building complex it is envisaged to improve the structure of the metalworking pool by the increase of the output of highly productive special and standard-unit machine tools, advanced forge and press equipment, automated lines and sets and by their more efficient use.

The leading collectives are also approaching the formulation of the plans for the five-year plan from this standpoint. Thus, for the Soyuzkuzmash All-Union Industrial Association of the Ministry of the Machine Tool and Tool Building Industry as a whole it is planned to increase the total production volume in 1985 as against 1980 by 52.8 percent. At the same time the output of general-purpose forge and press machines, which are equipped with means of automation and mechanization, with allowance made for the control figures and the suggestions of the collectives of the enterprises, should increase by more than 2.3-fold. An even greater increase of the production volumes is planned for forge and press equipment with program control--fourfold.

The increase of the production of forge and press machines is conducive to the achievement of a significant economic impact by the users. It creates opportunities for the organization of a waste-free and low-waste processing method. The replacement of the traditional methods of machining metal by cutting with technological operations using automated high precision forge and press equipment will make it possible in machine building during the 11th Five-Year Plan to save more than 2 million tons of rolled metal products and in excess of 8 billion kWh of electric power. Moreover, the labor of 170,000 workers will be saved.

As was noted at the 26th party congress, the improvement and strengthening of the "upper floors" of the corresponding sectors: the so-called fourth conversion in metallurgy, finishing operations in construction and the finishing works in light

industry, will promote the more complete and efficient use of everything that the country has. The end results, the quality and quantity of the produced output, the amount of the total expenditures on its production, as well as the expenditures in the sphere of use depend in many ways precisely on the strengthening of these sections.

An important statewide task of the 11th Five-Year Plan is the reduction of transportation costs. The means of solving it is the efficient distribution of productive forces, the elaboration of the optimum layouts of transportation flows and the elimination of cross hauls.

Opportunities to improve the pattern of production exist at every association and at every enterprise by the improvement of the structure of the output being produced and the intensification of specialization and production cooperation.

Capital Investment Policy

As was specified by the 26th party congress, the capital investments by all sources of financing are being increased in 1981-1985 by 12-15 percent. This means the obtaining of the increase of the national income (by 18-20 percent), which is planned for the five-year plan, with a smaller absolute and relative increase of capital investments than before.

It is necessary to direct particular attention of the collectives of construction organizations and industrial enterprises toward the completion of the construction of the most important start-up projects, the concentration of assets and the shortening of the period of assimilation of the rated capacities and the more rapid replacement of obsolete equipment. In 1980 it was possible to halt the increase of unfinished construction and to achieve its relative decrease. At the beginning of 1980 its amount was 87 percent of the total amount of annual capital investments as against 91 percent in 1979. The task has been set to reduce the amount of unfinished construction to the standard level by 1983.

The need to expedite the retooling and renovation of operating enterprises is emphasized in the decisions of the 26th CPSU Congress. The expenditures on it are recovered on the average two- to threefold more rapidly than the expenditures on the development of similar capacities by means of new construction.

The Magnitogorsk metallurgists by means of the renovation and retooling of production during the past two five-year plans increased the production volume of pig iron by 1.4 million tons and of steel by 2.9 million tons. And, what is especially important, they did not permit here a decrease of the capital-output ratio, in spite of the fact that during those years a number of new expensive facilities--a shop of bent sections, a shop of coatings and others--the construction of which, as is sometimes customary to believe, could have objectively decreased the capital-output ratio, were built at the combine.

At the Magnitogorsk Metallurgical Combine the expenditures on renovation for the production of 1 ton of pig iron, steel and rolled metal products are two-fifths to one-half as much as the standard expenditures on new capital construction. During the 10th Five-Year Plan the saving of assets due to this here were 120 million rubles. A precise program on the increase of production efficiency for the 11th Five-Year Plan has been drawn up. The mechanization of difficult and labor-consuming

operations in the shops, as well as the automation of the control of technological processes will make it possible, according to the estimates of economists, to save the labor of 2,500 workers.

Improvement of the Management of the Economy

The changeover to the primarily intensive path of development involves the mastering of the methods of the intensive management of the economy, the improvement of management, planning and stimulation and the extension of cost accounting in all the sections of production. The economic mechanism is aimed at the tightening up of the policy of economy.

The creation of those economic, organizational conditions and that moral and psychological climate in the labor collective, which make it incumbent to constantly seek means of the more efficient use of all types of resources, is necessary everywhere.

The improvement of plan and evaluation indicators, pricing, norms and standards, accounting and monitoring, the systems of the formation and use of economic stimulation funds and the procedure of paying bonuses is conducive to the development of economic initiative and socialist enterprise in the tightening up of the policy of economy.

During the working out of the control figures at many associations and enterprises the initial assignments were made substantially more rigorous. As a result, for example, the Ryazan' Tyazhpresvmash Association, after assimilating new types of machines and having used advanced types of casting and rolling, envisaged in the five-year plan the reduction of the weight of its products by more than 29 percent. The metal content of the equipment produced by the Taganrog Pressmash Association will be decreased by nearly 9.5 percent.

The assignments on the economy of metal in the process of producing equipment have been reported to the enterprises and associations. By means of the introduction during the five-year plan of new technological processes the Soyuzkuzmash All-Union Industrial Association plans in 1985 to achieve a saving of nearly 16,000 tons of metal.

The need to enhance the role of the indicator of the production cost and the consumption of material resources per unit of output is discussed in the decree of the CPSU Central Committee and the USSR Council of Ministers on the economy and efficient use of resources.

The collective of the Krasnaya zvezda State Breeding Sovkhoz of Minskaya Oblast, for example, has outlined large gains for the five-year plan. Here they are planning to increase the annual milk yield per cow to 5,000 kg with a significant decrease of the expenditures of labor and fodders. This plan is based on the extension of the experience gained by the collective in the intensive management of the farm.

In 1980 as compared with 1975 the expenditures of fodders per quintal of milk were reduced from 119 to 118 fodder units, while the expenditures of labor were reduced from 6.5 to 5.5 man-hours. At the same time the average annual milk yield per cow

increased from 3,917 kg to 4,580 kg. The production cost of 1 quintal of the fodder unit decreased during this period from 9 rubles 13 kopecks to 8 rubles 70 kopecks.

The reduction of the expenditures of fodders with the simultaneous increase of the productivity of the dairy herd was achieved by means of the balance of the fodders with respect to protein, the introduction of an advanced technology of the preparation and distribution of fodders, the mechanization of their gathering and the improvement of storage.

The tasks of intensification require each collective to improve the main indicators of internal cost accounting, which are in effect at enterprises and in organizations, the systems of material stimulation and the conditions of socialist competition.

The Initiative of Labor Collectives

The opportunities for intensive management exist everywhere, in all the links of production, services, daily life, in all sections of activity--from the workplace to the sector, from the development of an item to its creation and use. The implementation of some means of intensive development, such as the retooling of production, requires at times major capital investments, the implementation of others, for example, the dissemination of advanced know-how, the utmost economy of resources, which can be achieved by the elimination of losses, the reduction of waste products and their recovery, in practice does not require large outlays. Here initiative, a creative attitude toward the matter and responsibility are necessary first of all.

The organization of economical management requires everyday, often not immediately perceptible efforts, but our further progress is inconceivable without them. As folk wisdom says, a kopeck saves a ruble, hours are made of minutes. Today industrial output worth more than 1.2 million rubles is produced on the scale of the national economy in just 1 minute. Here is another example. If we save just 1 gram of fuel when generating every kilowatt of electric power, for the country as a whole it is possible to save more than 400 trains filled with fuel.

Economic analysis is now acquiring particular importance in the selection of the means of the intensification of production at every enterprise. It suggests in what directions it is necessary to focus the main attention of the collective, how to eliminate the existing losses and how to use advanced know-how better.

The collective of the Odessa Kislodromash Scientific Production Association is acting in precisely this way. During the present five-year plan, as during the past five-year plan, the task has been set here to provide the entire increase of output due to saved metal and by means of the increase of labor productivity without an increase of the number of workers.

According to the draft of the five-year plan, which was drawn up on the basis of the control figures of the Ministry of Chemical and Petroleum Machine Building, the production volume during 1981-1985 will increase by 26.4 percent. The annual assets for metal in 1985 should be kept at the 1975 level. It is proposed to increase labor productivity during the five-year plan by 28.4 percent.

The analysis of the effectiveness of the introduction of scientific and technical innovations made it possible to select those of them, which ensure a decrease of the rates of consumption of metal by 5-6 percent a year. At the association 62 creative brigades have been set up, in which more than 600 workers and 140 specialists are involved. The association produces 52 percent of its output with the State Seal of Quality.

The Psychology of Economical Management

The completion of the changeover to the primarily intensive path of development requires a change in economic thinking, the style and methods of work. "It is a matter of the development of such a style of work, in which efficiency and discipline would be fundamentally combined with bold initiative and enterprise," L. I. Brezhnev said in the report at the 26th party congress.

The psychology of economical management should appear first of all in the change in the approach to the formulation of the plans of economic and social development. At this stage the analysis of the use of production capacities and all types of resources as the starting point for the organization of production in conformity with the principle: more output with the least expenditures, should clearly come to the forefront. The executives and specialists of enterprises should constantly improve the quality of the standard base of the plan and ensure the consistent decrease of the rates of consumption of resources per unit of output.

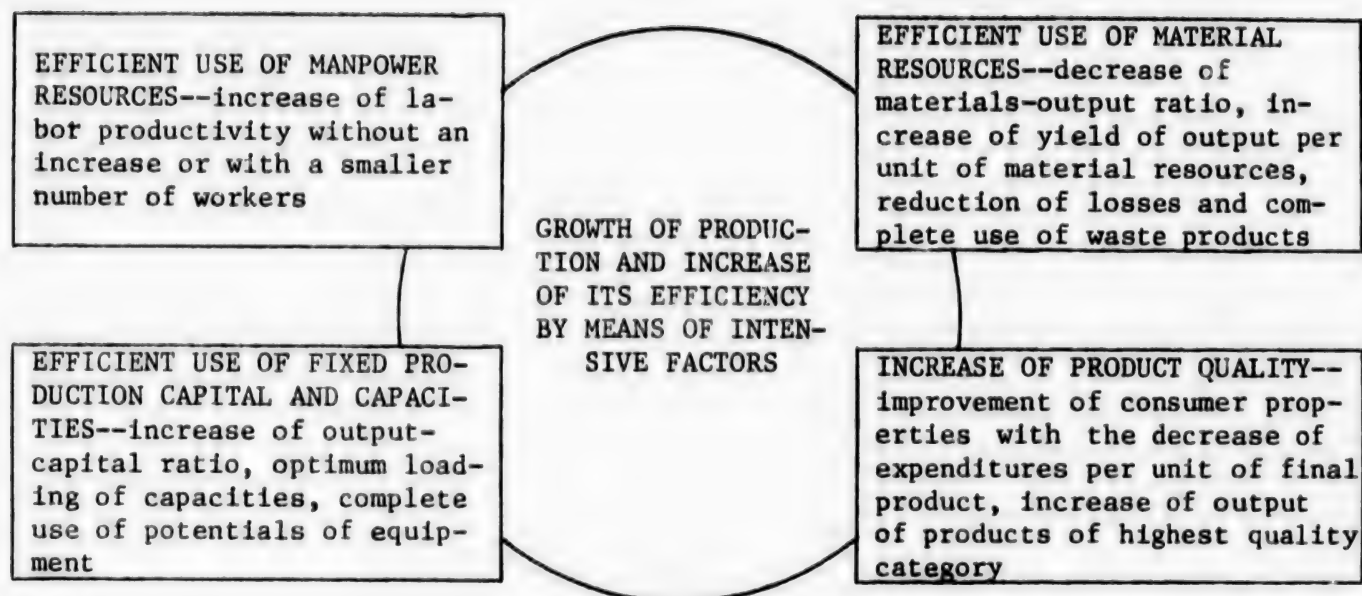
It is necessary to resolutely eradicate the faulty style of work—"to ask and take more"—instead of seeking opportunities to sharply reduce the expenditures of resources by means of the establishment of more efficient ties with suppliers, the improvement of the production technology, the control of losses and the use of secondary resources.

Economy and thrift function as a characteristic trait of the socialist way of life. They reflect the degree of technical and organizational competence of specialists and economic managers and the activity of any worker.

With allowance made for precisely this it is necessary first of all to evaluate the results, the quality of the work of each worker and labor collectives as a whole and the effectiveness of the management decisions being made.

Socialist competition is an effective means of the economic education and development of the initiative of workers. Valuable patriotic initiatives on the economy of resources are arising during it. It is necessary to introduce more extensively the experience, which was approved by the CPSU Central Committee, of organizing and political work of the Kemerovskaya and Chelyabinskaya Oblast Committees of the CPSU and a number of other party committees on the economical use of fuel, power, ferrous and nonferrous metals. Economy and thrift under socialism are an indispensable condition of the further growth of social production and the increase of the well-being of the people.

The cultivation of the psychology of economical management is one of the most urgent tasks of party, trade union and Komsomol organizations and labor collectives. And the approach here should be comprehensive, with allowance made for the immediate duties which each member of the labor collective performs.



In the process of building communism the party has implemented and is implementing consistently a policy of the extensive involvement of workers in the management of production and the affairs of society. In implementing it, the labor collectives are displaying mass initiative on the improvement of the organization of labor and production and the increase of efficiency and quality.

The initiative of eight labor collectives of the republic, which resolved by means of the early assimilation of capacities to produce output worth 17 million rubles in excess of the 1981 plan, has received extensive support in the Azerbaijan SSR.

The collective of the Baku Footwear Production Association bound itself to assimilate the capacities of the new factory by November of this year--8 months earlier than the planned date, or in almost half the planned time. By means of this 75,000 pair of leather shoes will be produced in excess of the assignment.

The level of assimilation of the rated capacities during the first half of 1981 was 74 percent as against 60 percent according to the standard, which enabled the collective also to achieve good results with respect to the other technical and economic indicators. The labor productivity exceeds the planned labor productivity by 2.4 percent, the profit exceeds the planned profit by 12 percent, the expenditures per ruble of commodity production have been decreased considerably.

The production cost during the 6-month period was reduced by 50,000 rubles as against the plan.

During the 10th Five-Year Plan the extensive movement for the brigade form of the organization and stimulation of labor in industry began on the initiative of labor collectives. Brigades of a new type, which work under the conditions of a single order, distribute wages independently and use the principles of cost accounting, appeared. The progressive form of the organization of labor made it possible to increase sharply the output in these basic collectives and to organize work on the cultivation among the workers of a careful attitude toward the matter on a practical basis.

In the decree of the CPSU Central Committee and the USSR Council of Ministers "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Increasing Production Efficiency and Work Quality" the dissemination of this initiative has been raised to the level of a state task: the brigade form of the organization of labor should become the main form during the 11th Five-Year Plan.

At the beginning of 1980 in industry 48.6 percent of the workers were united in brigades. The development of the brigade organization and stimulation of labor has been placed on a planned basis and is envisaged in the plans of the scientific organization of labor of enterprises, associations and sectorial ministries by years and for the five-year plan.

For industry as a whole by the end of 1985 it is planned to increase the proportion of workers united in brigades to 60-65 percent. To successfully accomplish this task it is necessary to improve intraplant planning and cost accounting, the organization of the material and technical supply of workplaces and production sections and to summarize in due time the activity of the brigades.

On the basis of the generalization of advanced know-how the USSR State Committee for Labor and Social Problems and the AUCCTU have prepared and approved "The Model Statute on the Production Brigade, the Brigade Leader, the Council of the Brigade and the Council of Brigade Leaders" and "Recommendations on the Development of the Brigade Form of the Organization and Stimulation of the Labor of Workers at Enterprises of Machine Building and Metalworking." These documents, as well as the materials of the All-Union Seminar on the Study of the Experience of the Brigade Form of the Organization and Stimulation of Labor, which was held in Kaluga, and the conference of brigade leaders of industrial enterprises of the Urals oblasts in Sverdlovsk are published in the book "Khozraschetnyye brigady v promyshlennosti" [Cost Accounting Brigades in Industry] (Moscow, "Pravda", 1981).

The Use of Advanced Know-How

The ability to select and quickly introduce the experience of the collectives of the leading enterprises of the country in intensive management and the economy of resources and the patriotic initiatives of production innovators, workers and kol-khoz farmers, who are Heroes of Socialist Labor and USSR State Prize winners and are achieving great production results, is becoming to a greater and greater extent an indication of the modern style of work of specialists and executives.

The initiatives of the workers of Moscow and Leningrad on the completion of personal and brigade assignments of the first year of the five-year plan by 7 November, of Yaroslavskaya Oblast on the achievement during the 11th Five-Year Plan of an increase of industrial production without an increase of the number of workers, of Rostovskaya Oblast on the early assimilation of the rated capacities, the initiative of the kolkhozes and sovkhoses of Krasnodarskiy Kray and Dnepropetrovskaya Oblast on the improvement of the quality of agricultural products, the work experience of the labor collectives of the Urals and the Kuzbass on the economy of metal and fuel and power resources and many other initiatives are receiving support and dissemination throughout the country.

The utilization of the know-how of fraternal countries in the organization of production, management and the solution of national economic problems is of great importance. In the report at the 26th CPSU Congress L. I. Brezhnev said: "We know,

for example, how skillfully the work of agricultural cooperatives and enterprises has been organized in Hungary, what valuable experience of the rationalization of production and the saving of power, raw materials and materials exists in the GDR. There is much of interest and value in the social security system in Czechoslovakia. Useful forms of agro-industrial cooperation are found in Bulgaria and a number of other European socialist countries.

"Let us, comrades, study more attentively and use more extensively the know-how of the fraternal countries."

In the GDR, for example, during the present five-year plan in order to utilize more completely fuel and raw material resources the task has been set to decrease annually the consumption of energy carriers, raw materials and materials, which are important for the national economy, on the average by 5-5.5 percent. The specific consumption of rolled steel products in the metalworking industry should be reduced on the average by 3-6.5 percent, while the power-output ratio should be reduced on the average by 4-5 percent a year. This means that with the planned increase for 1981-1985 of the commodity production in the sphere of the industrial ministries by 31-33 percent the increase of raw materials, materials and power will be only 1-2 percent.

The opportunities for the extensive dissemination of the know-how of the fraternal countries and the sharing of advanced methods of work have been expanded right now, when the collectives of many of our associations and enterprises have established direct contacts with the collectives of enterprises of the fraternal countries, are concluding agreements for socialist competition with them and are holding competitions of workmanship.

During the implementation of the decisions of the 26th CPSU Congress the work on the increase of production efficiency and on its intensification was stepped up in the labor collectives. The effectiveness of mass reviews on economy and thrift, which play an important role when drafting counterplans, increased. Socialist competition in accordance with the personal accounts of economy of workers and brigades, the creative plans of specialists and the comprehensive plans of efficiency in the labor collectives is undergoing more and more extensive development.

The Reserves Into the Plan

The active drafting of the plans for 1982 and for the five-year plan as a whole is now under way at enterprises and in organizations. It is necessary to carefully analyze the reserves of production and to include them in the counterplans.

The new procedure of compiling the plans of economic and social development, which was specified by the decisions of the party and the government on the improvement of the economic mechanism, is creating good prerequisites for the further development of counterplanning. It has been established that the compilation of the plan begins from below--with the production associations, enterprises and organizations. On the basis of the development of socialist competition and the use of internal economic reserves they draft counterplans which exceed the assignments of the five-year plan for the corresponding year. The counterplans, which have been adopted on the initiative of associations, enterprises and organizations and have been coordinated with the materials resources, are included in the state plan.

Thus, counterplanning, which has been proven reliable by the experience of many leading enterprises, is becoming an effective form of the real participation of all labor collectives in the compilation and implementation of state plans of economic and social development.

The procedure of drafting counterplans and stimulating labor collectives for their implementation is specified in the Statute on the Procedure of the Drafting of Counterplans for the 11th Five-Year Plan and the Stimulation of Their Fulfillment (see EKONOMICHESKAYA GAZETA, No 25, 1981).

The decree of the CPSU Central Committee and the USSR Council of Ministers on the economical and efficient use of material resources establishes that the indicators, which characterize the decrease of material expenditures and the economy of other resources, as well as the volume of the additional production of output which was manufactured due to the economy, should be one of the most important criteria when drafting and evaluating the fulfillment of counterplans and when tallying the results of the competition.

Valuable experience of the mass drive for economy and thrift has been gained, for example, by the workers of Cherkasskaya Oblast. Thus, at the Cherkassy Silk Combine reserves of intensification are being sought and substantiated at every workplace and in every brigade in the process of drafting and implementing counterplans.

The suggestions being received are defended at meetings of the workers, the technical and economic services jointly with production innovators elaborate measures for their quickest possible implementation. Creative brigades, to which workers and specialists belong, have begun to play a greater and greater role.

Owing to this from the very start of the five-year plan the conditions have been created at the combine for the utmost intensification of production. During the first half of the year the volume of commodity production increased by nearly 1.7 million rubles practically without an increase of the assets of material and technical supply.

The propagandists of economic schools and seminars and of the schools of communist labor can do much in the economic education of the workers and in the use of the acquired knowledge in practice. At the sugar refinery in Cherkassy the students participate skillfully in the drafting of the counterplans of brigades and sections. Strict monitoring of the rates of consumption of raw materials and materials has been established here. During the first half of the year 113,000 kWh of electric power, 65,000 tons of conventional fuel and 815 gigacalories of heat were saved at the refinery.

Practice shows that the gains made in one link of production can be diminished and at times reduced to naught in another interrelated section. Therefore the competition of associated sections for the increase of the output of high quality final products with the least expenditures is acquiring particular importance. The experience of competition according to "The Contract of Thousands," when the efforts of cotton growers, textile workers and garment workers are united, the movement of the Yampol' workers for the increase of the yield of sugar per hectare of plantings, in which the beet growers and the workers of refining enterprises are participating, and the initiative of the transport workers of Leningrad, who have united all the participants of the transportation conveyor, have proven to be good.

For the extensive enlistment of workers in the work on economy and thrift it is recognized as expedient to conduct during the 11th Five-Year Plan in the sectors of the national economy, at associations, enterprises and in organizations an all-union public review of the efficiency of the use of raw materials, materials, fuel and energy resources with the annual tallying of the results.

Greater and greater mobilizing importance at the present stage is being attached to the work of permanent production conferences, public bureaus of economic analysis, posts and groups of the People's Control.

The task of every collective is to fulfill successfully the assignments of 1981, the beginning year of the 11th Five-Year Plan. This will create a firm basis for the successful fulfillment of the assignments of the five-year plan as a whole and the completion of the changeover of the economy to the primarily intensive path of development.

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REGIONAL DEVELOPMENT

BENEFITS OF TERRITORIAL ORGANIZATION DISCUSSED

General Overview

Moscow PRAVDA in Russian 8 Sep 81 p 2

[Article by Professors and Doctors of Geographic Sciences N. Agafonov and B. Khorev: "Geographers Study"]

[Text] The strength of geography is its comprehensive approach to a territory being studied, to determining the prospects for using its natural resources, for developing and locating production facilities. This science is oriented towards learning about natural conditions, minerals, soils, forests and water as a whole as a basis for helping reveal opportunities for and ways of developing territories as integral parts of the USSR national economic complex.

Much attention has been paid to these problems in the "Basic Directions" adopted by the 26th CPSU Congress, which anticipated, in particular, improvement in the distribution of productive forces, improvement in the territorial division of labor, increasing the contribution of each republic to solving statewide tasks, consistent implementation of a policy of limiting the growth of the major cities, developing small and medium-sized cities and locating specialized, highly-productive production facilities and branches of enterprises and associations in them. We should like to touch on several aspects of these large, important tasks.

The urgency of territorial problems of economic and social development is associated in considerable measure with the fact that decisions made by the branches are often inadequately coordinated with local and territorial interests. But in fact, it is precisely within a territorial framework that specific social problems (demographic, those connected with environmental protection and others) are most often manifested in relief. Integration processes in the economy lead to the formation of interbranch territorial-production complexes. However, planning their operation and managing them often leave much to be desired: questions of intereconomic cooperation and specialization are being resolved sluggishly in the social-territorial division of labor system. At the same time, the broad transition to intensive methods of management, improvement in output quality, the fastest possible introduction of scientific-technical achievements of interbranch importance and improving production efficiency all demand the active mobilization of reserves still being used inadequately. And here, a prominent place belongs to the territorial aspect of organizing the national economy.

Substantiation of steps leading to a correct combination of branch and territorial interests and to comprehensive resolution of major territorial problems is the essence of the efforts of modern geography. It therefore seems necessary to continue the tradition of comprehensive geographic research and descriptions of geographic regional studies.

The question of the role of geographic developments in scientific substantiation of long-range national economic planning deserves special attention in connection with the fact that, in accordance with the CPSU Central Committee and USSR Council of Ministers decree on perfecting the economic mechanism, we anticipate drawing up long-range economic and social development plans, a comprehensive 20-year program of scientific and technical progress and basic directions for [the next] 10 years, broken down by five-year plan.

We should like to stress the importance of the comprehensive program as a preplanning scientific document which includes a large number of target programs which are generally of an interbranch, interterritorial nature.

Under these conditions, what is the place of other major preplanning documents such as the general plans for developing and distributing the productive forces of the major economic regions, which are basically drawn up by scientific subdivisions of the USSR Gosplan? One of their goals is to optimize the territorial-economic structure of the regions, which is essentially economic-geographic in nature. New forms of preplanning scientific development have appeared in the territorial aspect -- regional settlement plans (as part of the general plan for settling USSR territories), plans for the intelligent use and protection of the environment. But the comprehensive planning of regional development is complicated enough as it is, and an abundance of regional preplanning schemes will in no way help to improve this work.

In our opinion, we need to take up the development of a single preplanning document which would contain an evaluation of the prerequisites for and factors of the interconnected development of production, settlement, use and protection of the environment in the economic regions and Union republics. This would also be desirable because the comprehensive solution of problems often does not fit within the confines of oblasts, krays and autonomous republics and requires consolidated regional analysis and forecasting. Such a document could be developed either in the "old" form, as general plans for developing and distributing productive forces, or in a new one, as comprehensive, long-range programs for developing the major economic regions.

We should like once again to note the great importance of one relatively stable form of long-range planning and forecasting, rayon planning, which is the most important field of applied research in both economic and physical geography. It is known that developing any territory on the basis of well thought-out rayon planning schemes or drafts saves up to 10-15 percent of the capital investments in industry, agriculture and urban development. But this well-tested tool is not always used properly in many rayons, oblasts, and sometimes even republics. We need to heighten the role of rayon planning in determining prospects for territories, possibly even adopting special statutes. We could use as the basis for them the model plan prepared at the Moscow Branch of the USSR Geographic Society.

Improving territorial area planning and management opens up great opportunities. In our view, we need to develop here "Legislative Principles" on questions of the

internal territorial organization of the Union republics, including regional and city planning, economic, administrative and planning zoning, and defining the areas of jurisdiction of regional management agencies. Such a document is especially important for the RSFSR, where not only are the differences in local economic and natural conditions great, but where territorial national economic programs unlike anything in the previous history of mankind are being carried out.

An important role in the scientific substantiation of long-range national economic planning belongs to the achievements of Soviet socioeconomic geography. The reference is foremost to the theory of economic zoning of the country, with such branch lines as concepts of territorial-production complexes and shaping a unified transport network and a unified settlement system.

One big task of geographers is to participate in working out problems of the interzonal, interrepublic and interrayon division of labor and, in this connection, renewing the traditions of widely studying regions just being developed in the preplanning and predesign stages. Here, particular attention should be paid to genuinely comprehensive (using the efforts of representatives of various sciences), large-scale expeditionary studies of regions of the mid-Siberian plateau, future major routes, Kamchatka, Tuva and other "resource" regions. At the same time, we are faced with studying in greater depth the role and place of the developed regions, especially those of the RSFSR Nonchernozem Zone, in the economic, demographic and social development of the country.

In the 11th Five-Year Plan and subsequently, we need to place at the service of building communism reserves for increasing the efficiency of social production which are concealed in the comprehensive development of productive forces and the intelligent territorial organization of society. And a considerable role must belong here to economic geography.

Book Review

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 8, Aug 81 pp 118-119

[Review by Professor and Doctor of Economic Sciences P. Alampiyev, Honored Scientist of the RSFSR, and Professor and Doctor of Economic Sciences V. Kistanov of the book "Ekonomika SSSR--yedinyy narodnokhozyaystvennyy kompleks" [The USSR Economy -- A Unified National Economic Complex] by G. I. Granik and S. P. Tokarev, Izd-vo Ekonomika, Moscow, 1980, 184 pages]

[Text] As Article 16 of the Constitution states, the USSR economy is a unified national economic complex encompassing all links of social production, distribution and exchange within the country. The work being reviewed here illuminates primarily territorial problems of shaping the USSR unified national economic complex: developing the economies of the Union republics, the major economic regions and territorial-production complexes.

There are five chapters in the book. The first studies the patterns of USSR unified national economic complex formation and development. The principles and factors of productive forces distribution, questions of economic zoning, the grouping of branches, improving territorial planning and other questions are examined. The authors correctly note that the planned territorial division of labor among the Union

and autonomous republics and the country's economic regions is an important condition for developing the Soviet economy. At the same time, the territorial division of social labor facilitates production intensification in the Union republics and economic regions.

Chapter 2 reveals the process of systematic formation of the unified national economic complex, advances in developing and distributing its most important branches: power engineering, fuel and chemical industry, ferrous metallurgy, machine building, and so on. The authors use a number of examples to show how the structure of industry in the Union republics and economic regions -- links of the unified national economic complex -- has been shaped in accordance with the territorial division of labor.

Chapter 3 contains a great deal of factual material on the achievements of the Union and autonomous republics and the economic regions during the years of Soviet power. Their natural and economic conditions and characteristics of their production specialization and economic structure are surveyed. The work notes that all the republics and economic regions have achieved tremendous successes in socioeconomic development, in developing the economy and culture, as a result of systematic implementation of a Leninist national policy.

Chapter 4 of the book is devoted to problems of developing territorial-production complexes (TPC's) and industrial centers. The advantages of these progressive forms of territorial production organization and their national economic effectiveness are examined in detail using concrete examples. The processes of forming new TPC's in the European portion of the country (the Kursk Magnetic Anomaly TPC, Timano-Pechora, Orenburg and Nizhnekamskiy TPC's), in regions of Siberia and the Far East (West Siberian, in the Baykal-Amur Mainline construction zone, the system of Angara-Yenisey complexes, Southern Yakutsk and others) and in Central Asia and Kazakhstan (Southern Tajik, Pavlodar-Ekibastuz, Karatau-Dzhambul'skiy, Mangyshlak) are revealed.

The fifth and concluding chapter reveals prospects for developing the unified USSR national economic complex up to 1990. It illuminates the pivotal national economic problems of accelerating the development of productive forces of the eastern regions, providing the national economy and especially the European portion of the country and the Urals with fuel and electric power more economically, using the labor resources of the Union republics, the economic regions and other areas intelligently.

The basic directions of further developing productive forces are examined by the authors for seven consolidated economic regions (a division adopted by the USSR Gosplan for long-range planning): the North and Center in the European portion of the USSR, the South in the European portion of the USSR, the Urals-Volga area, Siberia, the Far East, Kazakhstan and Central Asia.

In analyzing this work, we need to make certain observations.

In our view, more attention should have been paid to existing shortcomings and reserves for improving the distribution and territorial development of productive forces, especially in forming TPC's. The book illuminates insufficiently broadly the important question of the effect of the international socialist division of labor on the distribution of productive forces.

In light of our present understanding, we consider it debatable whether ferrous metallurgy should be considered primarily a raw-material oriented branch (p 31). The total expenditure of technological and power fuel in a large industrial complex (center) consisting of a metallurgical plant with a full production cycle and consomitant machine-building and chemical production facilities is 1.5- to twofold higher than the amount of iron ore (concentrate) consumed. Therefore, from a national economic viewpoint, ferrous metallurgy should be considered an energy-intensive branch of industry.

One encounters inadequately precise definitions in this work. Thus, we find on page 47 that "regional economics is that branch of economic science studying patterns of territorial organization of social production.... The subject matter of regional economics is the processes of specialization and comprehensive development of the economy of a region, inter- and intraregional economic ties, problems of distributing productive forces and the territorial organization of production." It would seem appropriate to present the correlation of regional economics and economic geography with consideration of the theory and methodology of national economic planning.

On the whole, this work deserves a positive evaluation. The authors have succeeded in revealing sufficiently fully, in sufficient detail and at a professional level, the basic features and patterns of the shaping and development of the country's unified national economic complex.

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Kray Territorial System

Moscow STANDARTY I KACHESTVO in Russian No 9, 1981 pp 55-59

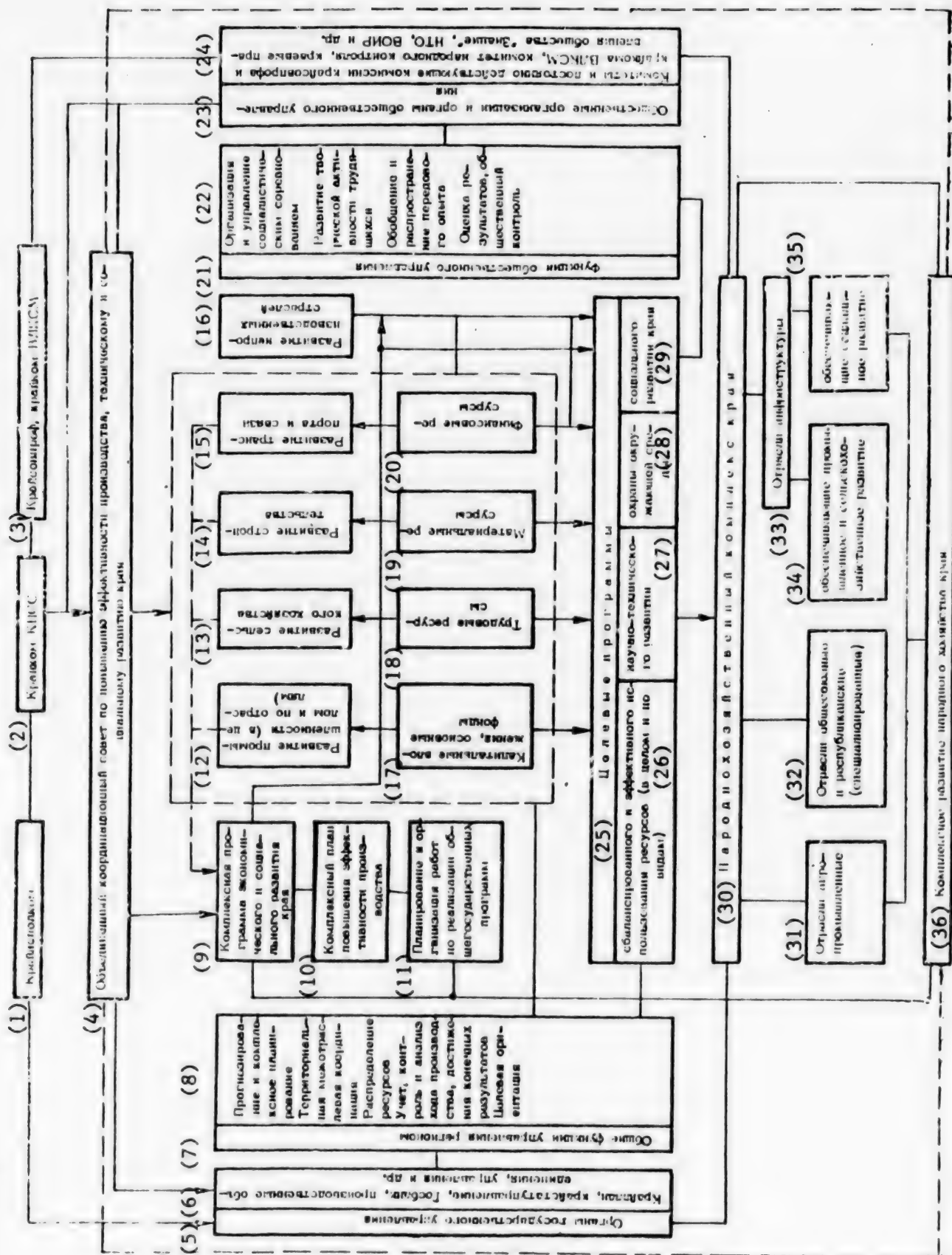
[Article by Candidate of Technical Sciences G. Ya. Rubin, scientific secretary of Krasnodarskiy Kray Coordination Council on Developing and Introducing "A Comprehensive System for Improving Production Efficiency (KS PEP)": "Principles of Shaping the Kray Territorial System of Improving Production Efficiency and Work Quality"]

[Text] Creation of the principles of a kray territorial system for improving production efficiency and work quality is a logical conclusion to work in Krasnodarskiy Kray to improve the regional economic mechanism by widely introducing and continuing to improve the comprehensive system for improving production efficiency (KS PEP).¹

The primary goal of this system, a consolidated model of which is given in Chart 1 (following page), is to ensure good end results for the operation of all kray national economic branches, that is, in fulfilling and overfulfilling plan assignments in terms of all technical-economic indicators and maximum satisfaction of the constantly growing needs of the population in every rayon and in the kray as a whole. To achieve this, we need to improve territorial production, distribution and exchange management methods, precise coordination, objective supervision and effective stimulation of collectives in all spheres of the kray national economy and their purposeful orientation towards improving production efficiency and work quality. The kray

¹STANDARTY I KACHESTVO, No 8, 1981.

Chart 1.



Key:

1. Krayispolkom
2. CPSU kraykom
3. Komsomol kraykom, kray trade-union council
4. Unified coordination council to improve production efficiency and kray technical and social development
5. State management agencies
6. Kray planning commission, kray statistical administration, Gosbank, production associations, administrations and others
7. General regional management functions
8. Forecasting and comprehensive planning; territorial interbranch coordination; resources distribution; recording, monitoring and analyzing production and the attainment of end results; target orientation
9. Comprehensive kray economic and social development program
10. Comprehensive plan for improving production efficiency
11. Planning and organizing work to implement statewide programs
12. Developing industry (as a whole and by branch)
13. Developing agriculture
14. Developing construction
15. Developing transport and communications
16. Developing nonproduction branches
17. Capital investment, fixed assets
18. Labor resources
19. Material resources
20. Financial resources
21. Social management functions
22. Organizing and managing socialist competition; developing worker creative activeness; generalizing and disseminating leading experience; evaluating results and social control
23. Public organizations and social management agencies
24. Kray trade-union and Komsomol kraykom committees and permanent commissions, people's control committee, kray "Znaniye," NTO [scientific and technical society] and VOIR [All-Union Society of Inventors and Efficiency Experts] boards, and others
25. Target programs
26. Balanced, effective use of resources (as a whole and by type)
27. Scientific-technical development
28. Environmental protection
29. Kray social development
30. Kray national economic complex
31. Agroindustrial branches
32. Unionwide and republic (specialized) branches
33. Infrastructure branches
34. Ensuring industrial and agricultural development
35. Ensuring social development
36. Comprehensive development of the kray national economy

territorial system of improving production efficiency and work quality (KTS PEP and KR) is therefore understood to mean a complex of methods and means of management, norms and normatives, and coordinated, continuously operative measures reflected in the comprehensive programs and plans for kray development and closely linked to state and branch plans, as well as enterprise plans.

The subject of management in the KTS PEP and KR is the entire kray national economic complex, consisting of enterprises and organizations of various branches of the national economy.

In order to increase the efficiency of kray economic management, we anticipate the formation of interbranch and branch territorial-production complexes based on joint use of auxiliary production facilities and resources, as well as economic ties determined by the sequence of the stages of production, circulation and consumption. Among these complexes, those of the agroindustrial type which produce and process agricultural raw material occupy the leading place in Krasnodarskiy Kray. The output they produce (basically consumer goods) comprises about 50 percent of total industrial production in the kray.

A specific complex consists of enterprises of union and republic subordination with no territorial economic leadership link (machine-building, tool-making, oil refining and other enterprises).

A special complex is enterprises and organizations of the infrastructure branches which ensure the development of industrial and agricultural production (construction industry, transport, power engineering and others), as well as kray social development (public health and education, personal services and others).

Naturally, the specifics of each of these three complexes of enterprises and organizations are determined by the necessity of different approaches to improving the regional management of them. This fundamentally important circumstance is taken into account when forming the entire aggregate of territorial and territorial-branch systems for improving production efficiency and work quality of KTS PEP and KR components.

The composition, functions and tasks of its links are currently being worked out and refined, but it is already quite evident that we will need precise coordination of all state management agencies, as well as public organizations and social control agencies, in order to ensure improvement in management efficiency. Therefore, an attempt has been made within the KTS PEP and KR framework to unify the efforts of all existing territorial-branch management and supervision agencies by refining and ordering the functions they perform. A system of coordination councils headed by a unified coordination council to improve production efficiency and kray technical and social development has been formed under the CPSU kraykom to supplement them (see Chart 2, following page).

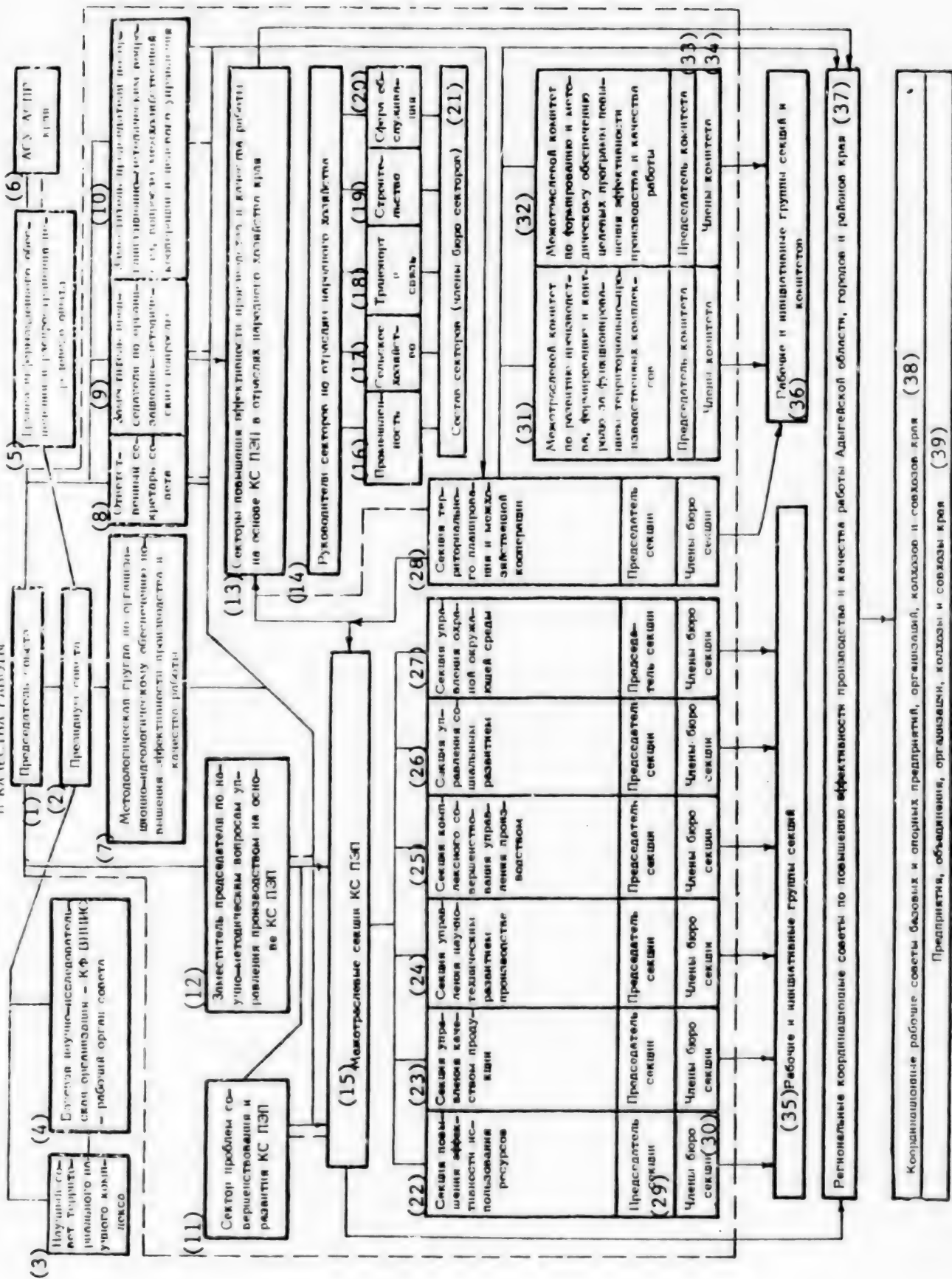
All leadership of activity to improve production efficiency and work quality in the kray is effected at various management levels by the appropriate party and soviet agencies, with the involvement of Komsomol and trade-union organizations, people's control commissions, VOIR, NTO and other public organizations. And executive-authority, planning, finance and statistics agencies available in the kray can have a substantial influence on the proportionality of social production development even at the stage of preparing and adjusting plans, productive forces distribution schemes and monitoring the implementation of those plans.

Party organs determine the basic directions of regional Soviets of People's Deputies activity and indicate the goals which can be attained at a given stage of regional development.

Chart 2. Structural Chart of A Unified Kray Coordination Council to Improve Production Efficiency and Work Quality

У К Р А И Н А

СТРУКТУРНАЯ СХЕМА ОБЪЕДИНЕННОГО КРАЕВОГО КООРДИНАЦИОННОГО СОВЕТА ПО ПОВЫШЕНИЮ ЭФФЕКТИВНОСТИ ПРОИЗВОДСТВА И КАЧЕСТВА РАБОТЫ



Key:

1. Council chairman
2. Council presidium
3. Scientific council of the territorial scientific complex
4. Base scientific research organization -- KF VNIIS [not further identified]
-- a council working agency
5. Group for information and disseminating leading experience
6. Kray ASU ASPR [automated control system; automated system of planning calculations]
7. Methodological group for organizational-ideological support to improve production efficiency and work quality
8. Council responsible secretary
9. Deputy chairman for organizational-methodological questions
10. Deputy chairman for organizational-methodological questions and questions of intereconomic cooperation and target management
11. Sector for problems of improving and developing KS PEP
12. Deputy chairman for scientific-methods questions of production management on a KS PEP basis
13. Sectors for improving production efficiency and work quality on a KS PEP basis in branches of the kray national economy
14. Leaders of national economic branch sectors
15. KS PEP interbranch sections
16. Industry
17. Agriculture
18. Transport and communications
19. Construction
20. Services sphere
21. Sector staffs (sector bureau members)
22. Section for improving the effectiveness of resources use
23. Section for product quality control
24. Section for managing the scientific-technical development of production
25. Section for comprehensive improvement in production management
26. Section for managing social development
27. Section for managing environmental protection
28. Section for territorial planning and intereconomic cooperation
29. Section chairman
30. Section bureau members
31. Interbranch committee for production development and shaping and monitoring the functioning of territorial-production complexes
32. Interbranch committee for shaping and providing methods for target programs for improving production efficiency and work quality
33. Committee chairman
34. Committee members
35. Section working and initiative groups
36. Section and committee working and initiative groups
37. Regional coordination councils for improving production efficiency and work quality for Adygeyskaya Oblast and kray cities and rayons
38. Working coordination councils of base and support enterprises, organizations, kolkhozes and sovkhoses of the kray
39. Kray enterprises, associations, organizations, kolkhozes and sovkhoses.

According to the USSR Constitution, the local Soviets of People's Deputies are fully empowered, within the limits of their rights, to monitor and coordinate the activity of all enterprises situated in a region. They must be supplied with information on enterprise and institution, departmental and superior regional organization draft plans; they must move from simple summation of enterprise plans and leadership just of enterprises of local subordination to the generalization, necessary adjustment and coordination of long-range and current plans for developing all enterprises of the region with consideration of the need for developing a territorial infrastructure and making maximum use of resources.

Thus, the Soviets of People's Deputies need to be viewed not only as local organs of state power, but also as territorial administrative agencies for the comprehensive planning and management of the economy and sociocultural construction, independent of the departmental or branch subordination of enterprises and organizations situated within the region.

At the same time, it is very difficult for the apparatus and executive organs of the local Soviets of Workers' [sic] Deputies to cope with the entire range of tasks of comprehensive regional economic management. We therefore think corresponding coordination councils to manage the technical, economic and social development of the region should be created as staffs for local party and soviet agencies. They must not only prepare proposals and recommendations on the most important directions of regional development, but must also participate actively in implementing them by rendering management agencies and enterprises organizational-methods assistance, by monitoring and analyzing the fulfillment of plans, programs and resolutions, by coordinating the actions of economic and social organizations, and so forth.

Within the KTS PEP and KR framework, the general functions of state management agencies are:

- forecasting and comprehensive planning of production efficiency improvement;
- territorial interbranch and intereconomic coordination;
- resources distribution (labor, materials, financial);
- organizing efficient resources use;
- recording, monitoring and analyzing production progress and achieving end results;
- target orientation towards production efficiency and work quality (using means and methods of moral and material incentive).

The functions of the social organizations and management agencies in the area of improving efficiency and quality in the functioning of the kray national economic complex are:

- organizing and managing socialist competition;
- developing worker creative activeness;
- generalizing and disseminating leading experience;
- evaluating results, social control.

Further detailing of functions and their distribution among management agencies are done in accordance with the national economic branch structure, its specific features and the areas of competence of management agencies.

Concretizing functions permits a determination of KTS PEP and KR tasks, the basic ones being:

determining the basic directions of work on mobilizing labor collectives to carry out plan assignments, improving production efficiency and work quality, accelerating scientific-technical progress and social development of the branches and administrative regions of the kray;

systematic disclosure of reserves for improving resources use and output quality, developing and carrying out measures to actualize them;

planned organization of activity to improve production efficiency and work quality in the kray;

ensuring an intelligent combination of branch and regional tasks in developing and implementing state branch and territorial comprehensive programs and plans for improving production efficiency and work quality;

organizing the development and monitoring the fulfillment of comprehensive plans and programs for improving production efficiency and work quality in kray branches and administrative regions;

systematic analysis, evaluation and stimulation of work to improve production efficiency and work quality in the kray national economic complex;

organizational-methods leadership of the development, introduction and improvement of comprehensive systems for improving production efficiency (KS PEP) at enterprises, associations, kolkhozes, sovkhozes, organizations and institutions of all branches of the national economy;

organizational-ideological support for activity to improve production efficiency and the quality of labor and output and of all work.

Implementation of the enumerated tasks and functions is aimed at attaining the goals facing the national economic complex of the kray, the goals of the system as a whole and of its links (by management level), as well as the goals of its subsystems and elements; these goals must be determined quantitatively at all management levels and coordinated with one another in the course of setting up the goals tree.

In accordance with the goals, functions and tasks, as well as with consideration of experience in creating KS PEP at enterprises and ensuring its functioning, a KTS PEP and KR staff and its organizational structure are shaped. At present, the following target KTS PEP and KR subsystems are delineated:

improving the effectiveness of resources use;

product quality control;

accelerating scientific and technical progress;

social development of the kray;

environmental protection;

managing the formation of territorial-production complexes and target programs for kray national economic development.

The provision of KTS PEP and KR information is based on a system of interacting computer centers. The kray has computer centers in various departments. The plan in the 11th Five-Year Plan is to complete work on creating the first line of collective-use computer centers.

A special role is given to comprehensive target planning in KTS PEP and KR. Questions of improving production efficiency and product quality are reflected in one way or another in corresponding sections of the current and long-range plans of enterprises, in the socioeconomic development plans of rayons, cities, oblasts and the kray as a whole, and in the comprehensive scientific research programs. Coordinating these plans on the basis of factors determining kray national economic end

results permits shaping the comprehensive program of kray and economic and social development aimed at improving production efficiency and product quality on a unified methods basis.

By analogy with the comprehensive plans worked out within the KS PEP framework, the kray comprehensive program of economic and social development, along with a section on target indicators and providing resources, includes a complex of measures to improve production efficiency correspondingly structured (by KTS PEP and KR subsystem), with a delineation of organizational-ideological measures for each section. Concretization of the basic directions of this work is being done through target programs of the balanced, effective use of resources, scientific-technical and social development of the kray, environmental protection and others, as well as in lower-level subprograms -- by factor determining the possibility of achieving high work efficiency and quality in the planning period.

Effective functioning of KTS PEP and KR is thus ensured by:

- working out a comprehensive program of economic and social development of the kray national economy and, as part of it, a comprehensive plan of measures and target programs to improve production efficiency and product quality;

- coordinating the work of branches, management agencies, associations and enterprises;

- organizing territorial-production and territorial-branch management on the basis of KS PEP;

- redistributing resources and ensuring their efficient, balanced use;

- intelligent distribution of productive forces within the kray;

- ensuring proportional development of branches of agriculture, extractive industry and processing branches, shaping industrial associations and territorial-production complexes;

- ensuring proportional development of the production and nonproduction spheres, comprehensive development of the services sphere;

- developing territorial, branch and plant specialization, organizing efficient cooperation;

- increasing purposeful socialist competition among cities, rayons and enterprises of the kray.

Such is the overall orientation of work on shaping KTS PEP and KR, which is called upon to ensure the successful resolution of tasks set by the party and government on improving the management mechanism.

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